



UNITED STATES POSTAL INSPECTION SERVICE

OFFICE OF COUNSEL

April 17, 2015

Mr. Kevin Savetz



RE: FOIA No. 2015-FPIS-00145

Dear Mr. Savetz:

This is in reference to your June 25, 2014, Freedom of Information Act request addressed to the U.S. Department of Justice, Federal Bureau of Investigation, for access to records regarding you.

Found in the files of the Federal Bureau of Investigation were 52 pages of record material that originated with the U.S. Postal Inspection Service. These pages were referred to this office for a release ability determination and direct response to you.

Enclosed are 41 pages that can be released to you. Certain deletions have been made to this material pursuant to title 5, United States Code, section 552(b)(6), where release of personnel and similar files would constitute a clearly unwarranted invasion of personal privacy and section 552(b)(7)(C), which permits the withholding of records or information compiled for law enforcement purposes, the release of which could constitute an unwarranted invasion of the personal privacy of third parties.

In addition to these enclosures, there are 11 other pages which are exempt from disclosure in their entirety in accordance with section 552(b)(7)(C) and section 552(b)(7)(D), which exempts information that could reasonably be expected to disclose the identity of a confidential source and confidential information furnished by that source.

If you have any questions regarding the processing of your request, please contact the Inspection Service FOIA Requester Service Center at (202) 268-7004 or email address foia@uspis.gov between the hours of 8:30 a.m. – 5 p.m. (Eastern Standard Time).

You have the right to appeal this partial denial of your request by writing to the **Chief Counsel, U.S. Postal Service, 475 L'Enfant Plaza, SW, Washington, DC 20260-1135**, within 30 days of the date of this letter. The letter of appeal should include statements concerning this response, and the reasons why it is believed to be erroneous, and the relief sought, along with copies of the original request, this letter, and any other related correspondence.

As part of the 2007 FOIA amendments, the Office of Government Information Services (OGIS) was created to offer mediation services to resolve disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. Using OGIS services does not affect your right to pursue litigation. If you are requesting access to your own records (which is considered a Privacy Act request), you should know that OGIS does not have the authority to handle requests made under the Privacy Act of 1974. You may contact OGIS in any of the following ways: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road, Room 2510, College Park, MD 20740-6001, e-mail: ogis@nara.gov, telephone: 301-837-3785, facsimile: 301-837-0348, toll-free: 1-877-684-6448.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tammy A. Warner", with a stylized, flowing script.

Tammy A. Warner
Acting FOIA Manager

Enclosures

UNITED STATES POSTAL SERVICE

POSTAL INSPECTOR

P. O. Box 224985 Dallas, TX 752249-0985

DATE: December 19, 1986

CASE NO: 599-0441584-F(2)

SUBJECT: DALLAS, TX: Violation of Title 18, U. S. Code, Section 1341, Mail Fraud, by ROBERT Y. HENSLEE, JAMES W. FURLONG, SOL JOSEPH CARRIS, and ROBERT E. GRAHAM.

TO:

The Honorable Marvin G. Collins
 United States Attorney
 Northern District of Texas
 1100 Commerce Street, Room 16G28
 Dallas, TX 75242

ATTENTION: Terry Hart
 Assistant U. S. Attorney

Dear Mr. Collins:

The following are the particulars relating to a scheme to defraud by ROBERT Y. HENSLEE, JAMES W. FURLONG, SOL JOSEPH CARRIS, and ROBERT E. GRAHAM.

SCHEME

Beginning on or about November, 1979, and continuing thereafter until on or about October, 1984, defendants HENSLEE, FURLONG, CARRIS, and GRAHAM, devised and intended to devise a scheme and artifice to defraud and obtain money from Texas Instruments, Inc. (hereinafter referred to as TI). Three firms: Furlong-Contorinis, Inc., 7100 Havenhurst Ave., Van Nuys, CA 91406 (formerly known as Furlong, Contorinis and Gregory, Inc.; Furlong, Contorinis and Duke, Inc.; Furlong and Associates; and International Recruiting Systems, Inc.); Electronics Personnel, 42 Madison Ave., Maplewood, NJ (also known as Carris, Jackowitz Associates), and CSI, Inc., 1208 E. Broadway Rd., Suite 200, Tempe, AZ (formerly known as Career Specialists International, Inc.), run by James W. Furlong, Sol Joseph Carris, and Robert E. Graham, respectively, were involved in the scheme to defraud, along with Robert Y. Henslee.

Mr. Henslee, Personnel Manager with TI, was in charge of locating qualified individuals for TI positions through the use of employment firms. Henslee hired these three firms to locate qualified personnel for TI. These firms would locate desirable individuals for TI, then bill TI for services rendered. Payments were made to Robert Y. Henslee by each of the three firms or by the individual owners of each.

The U. S. mails were an integral part of the scheme, as statements from firms, checks from TI and various payments to Mr. Henslee were sent by the U. S. mails. Payments made to Henslee during the duration of the scheme totaled an estimated \$249,902.36.

FOR OFFICIAL USE ONLY
 U.S. MAIL ONLY

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PROPOSED DEFENDANTS

NAME OF OFFENDER	: Robert Y. Henslee
ALIASES	: None known
DATE OF BIRTH	: December 4, 1924
ADDRESS	: 12432 Montego Plaza Dallas, TX 75230
OCCUPATION	: Retired
FBI NUMBER	: None known
PLACE OF OFFENSE	: Dallas, Dallas County, TX, and elsewhere.
DATES OF OFFENSE	: From on or about November, 1979, until on or about October, 1984.
ACCOMPLICES	: James W. Furlong, Sol Joseph Carris, and Robert E. Graham.
NATURE OF OFFENSE	: Mail Fraud

NAME OF OFFENDER	: James W. Furlong
ALIASES	: None known
DATE OF BIRTH	: June 18, 1935
ADDRESS	: 19312 Romar Street Northridge, CA 91324
OCCUPATION	: Self-employed
FBI NUMBER	: None known
PLACE OF OFFENSE	: Dallas, Dallas County, TX, and elsewhere.
DATES OF OFFENSE	: From on or about November, 1979, until on or about October, 1984.
ACCOMPLICE	: Robert Y. Henslee
NATURE OF OFFENSE	: Mail Fraud

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NAME OF OFFENDER

: Sol Joseph Carris

ALIASES

: None known

DATE OF BIRTH

: February 15, 1931

ADDRESS

: 201 W. 79th St.
New York, NY 10021

OCCUPATION

: Self-employed

FBI NUMBER

: None known

PLACE OF OFFENSE

: Dallas, Dallas County, TX, and
elsewhere.

DATES OF OFFENSE

: From on or before November, 1979,
until on or about October, 1984.

ACCOMPLICE

: Robert Y. Henslee

NATURE OF OFFENSE

: Mail Fraud

NAME OF OFFENDER

: Robert E. Graham

ALIASES

: None known

DATE OF BIRTH

: Unknown

ADDRESS

: 1208 E. Broadway, Suite 200
Tempe, AZ 85282

OCCUPATION

: Self-employed

FBI NUMBER

: None known

PLACE OF OFFENSE

: Dallas, Dallas County, TX, and
elsewhere.

DATES OF OFFENSE

: From on or before November, 1979,
until on or about October, 1984.

ACCOMPLICE

: Robert Y. Henslee

NATURE OF OFFENSE

: Mail Fraud

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DETAILS OF OFFENSE

During 1978, James W. Furlong was partners in several "headhunter" firms, those being International Recruiting Systems, Inc. (hereinafter referred to as IRS); Furlong and Associates; and RMK Enterprises. RMK Enterprises was a 50/50 partnership between James W. Furlong and Robert M. Kleinsweig (also known as Robert M. Klein). Klein being President of the firm; Scott Furlong, Chairman; and Vicki Furlong, James Furlong's wife, Corporate Secretary.

On October 8, 1982, Check No. 1032, in the amount of \$4,000, payable to Robert Henslee was issued by Robert M. Klein and Company, and signed by Vicki Furlong. Klein had no knowledge of the check being issued by his firm to R. Y. Henslee. His firm handles recruitment in the accounting and financial areas, but would not handle recruiting for Texas Instruments. Klein had no knowledge of Henslee performing any services for RMK Enterprises.

The firm of Furlong, Contorinis, Inc., was chosen for searches by Texas Instruments at Robert Y. Henslee's request, beginning in 1979. The firm was paid a commission of 33 1/3 percent of the first year's salary of the employee being placed. Therefore, the firm was paid if they located a suitable candidate who was subsequently hired by TI. Most of these placements were done by an employee by the name of (b)(7)(C)

In some instances, Furlong-Contorinis, Inc., was put on a retainer basis with TI, whereby the firm was paid a fee simply for searching for a suitable candidate. ~~The retainer was paid to the firm whether or not they located a candidate. Such was the case in 1984 when the firm was paid \$958,283 for candidate searches of which approximately four individuals were hired by TI.~~ Each search is paid for by the department within Texas Instruments which is hiring the new individual. If the search firm went on a retainer basis, it would have been at R. Y. Henslee's request, and with the department's approval.

Carris, Jackowitz and Associates, and Career Specialists International, Inc., were also used by Texas Instruments at Henslee's request. These firms were also put on a retainer basis at Henslee's request. Each of these firms made payments to Henslee from various personal and business accounts from 1979 until 1985.

The following are breakdowns of funds traced from TI to each firm and from each firm or individual to Robert Y. Henslee.

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FUNDS FROM TI
TO FURLONG

1979	\$ 73,264.00
1980	71,834.00
1981	35,012.00
1982	175,467.00
1983	389,597.00
1984	958,283.00
1985	<u>138,583.00</u>

TOTAL \$1,842,040.00FUNDS FROM FURLONG
TO R. Y. HENSLEE

\$ 5,000.00
3,500.00
7,480.00
37,716.00
43,198.00
35,000.00
<u>5,000.00</u>

\$136,894.00

FUNDS FROM TI
TO CARRIS

1980	\$ 19,959.00
1981	26,425.26
1982	88,968.85
1983	120,765.00
1984	78,715.00
1985	<u>\$ 11,681.00</u>

TOTAL \$346,512.11FUNDS FROM CARRIS
TO R. Y. HENSLEE

Unknown
Unknown
\$21,101.12
25,490.00
3,280.00
<u>Unknown</u>

\$49,871.12

136,894
498,711
75,520
262,285

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	<u>FUNDS FROM TI TO GRAHAM</u>	<u>FUNDS FROM GRAHAM TO R. Y. HENSLEE</u>
1979	Unknown	\$18,355.93
1980	\$ 11,000.00	24,964.78
1981	23,700.00	800.00
1982	Unknown	7,500.00
1983	28,846.39	5,300.00
1984	<u>106,775.35</u>	<u>\$18,600.00</u>
TOTAL	<u>\$170,321.74</u>	<u>\$75,520.71</u>

MISREPRESENTATIONS AND PROOF OF FALSITY

MISREPRESENTATION: That Robert Y. Henslee worked as a consultant for these firms and, in no way, influenced normal TI business practices.

PROOF OF FALSITY: That most, if not all searches, were done through these three firms at Robert Henslee's request.

MISREPRESENTATION: That Henslee was hired by Texas Instruments as personnel manager to perform the job to the best of his ability.

PROOF OF FALSITY: That Henslee could not have rendered services equal to the "salaries" he was paid by these firms each year and still perform his job for TI.

MISREPRESENTATION: That Henslee would work for Texas Instruments as personnel manager and conduct himself in a professional and honest manner.

PROOF OF FALSITY: That accepting money from these firms would be in direct violation of Texas Instruments' policy.

ADDITIONAL DATA

During 1982, the employee handling the TI accounts at Furlong and Associates, (b)(7)(C) began to stumble across irregularities at the firm. Around May, 1982, (b)(7)(C) was promoted to a principal in the firm, due to her job performance (Exhibit 1). Some time later that year, (b)(7)(C) questioned James W. Furlong about a transfer of stock from the ex-principal (b)(7)(C) to herself (Exhibits 2-5). Furlong advised her to not

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ask questions, to sit back, and she would get her money. The stock was apparently "transferred" during a board meeting, which [redacted] had not been invited to attend. During the entire time she was a principal with the firm, she was never informed of any board meetings to take place or advised of one which had taken place.

(b)(7)(C) [redacted] questioned James W. Furlong as to why TI was paying 33 1/3 percent, which was above market prices at that time. Furlong explained there were times when Robert Henslee needed extra money. (b)(7)(C) [redacted] also questioned travel for TI being reimbursed without expenses. Furlong said just to let him know what she had spent toward travel and not to worry about it.

(b)(7)(C) [redacted] Later, [redacted] observed a check from Furlong-Contorinis, Inc., to R. Y. Henslee. During this time period, [redacted] was working on a job for TI in Lubbock, TX. Upon questioning the payments to Henslee, she was immediately pulled from the job on the basis of incompetence. Still being a principal of the firm, [redacted] entered the office late one night with two friends. She took copies of a check to Henslee and a few other incriminating documents. [redacted] also typed out a letter of resignation which she left on her desk. Later, Furlong accused her of using cocaine and told everyone he had fired her for that reason.

(b)(7)(C) [redacted] turned the information she had obtained over to an Assistant U. S. Attorney in Los Angeles, CA; who, in turn, advised the Inspection Service of a possible kickback scheme. An investigation began and two other firms were identified as making payments to Robert Y. Henslee. Those two firms were Career Specialists/Arizona, Inc. (Robert E. Graham), and Carris, Jackowitz Associates (Sol Joseph Carris also known as Electronics Personnel).

(b)(7)(C) [redacted] After resigning from Furlong-Contorinis, Inc., [redacted] requested Furlong provide her with a letter absolving her from any knowledge or involvement in the Henslee matter. Furlong refused and [redacted] filed suit. Furlong subsequently filed a libel suit against [redacted] which he won due to a default judgment. (b)(7)(C) [redacted] attorney failed to comply with or notify her of filing dates in the case. [redacted] has since filed malpractice against the attorney and is fighting the default judgment.

On February 9, 1983, four months after (b)(7)(C) [redacted] resigned, Robert Y. Henslee filed for an Assumed Name Certificate with Dallas County. The certificate reflected his assumed name as R. Y. and Company (Exhibit 6). Documents provided by Furlong and Associates reflect a check to R. Y. and Company on February 10, 1983, with all checks prior to this date being payable to Robert Y. Henslee (Exhibits 7 and 8).

Furlong claimed he had a consulting contract with Henslee since 1979, which he could not locate. Furlong provided Internal Revenue Service Form 1099 for Calendar Years 1982, 1983, and 1984, reflecting income paid to Robert Y. Henslee in 1982, and R. Y. and Company in 1983 and 1984 (Exhibits 9-12). Yet, no Form 1099 was provided for Calendar Years 1979, 1980, and 1981. The two remaining firms were subpoenaed for IRS forms

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concerning Robert Y. Henslee, but could not provide any reflecting salary paid to Henslee. Robert Graham dba Career Specialist/Arizona, Inc., claimed his payments to Henslee were personal loans. Yet, no payments from Henslee to Graham for repayment of the loans could be verified by Mr. Graham or by Henslee's bank accounts.

Furlong provided numerous sworn statements by employees concerning Ms. Gregory's actions and cocaine usage (Exhibits 13-18). Also provided were minutes from several special board meetings concerning Gregory, sworn statements concerning Henslee's employment with Furlong-Contorinis, Inc. (Exhibits 19-29), and a handwritten bill from Henslee dated December 15, 1979 (Exhibit 30).

PERSONAL AND CRIMINAL HISTORY

Robert Young Henslee is 61 years of age with a birth date of December 4, 1924. He resides at 12432 Montego Plaza, Dallas, TX 75230. Henslee is retired and believed to be single. He has no known criminal history.

James William Furlong is 51 years of age with a birth date of June 16, 1935. He resides at 19312 Romar St., Northridge, CA 91324. He is self-employed at Furlong-Contorinis, Inc., 7100 Havenhurst Ave., Van Nuys, CA 91406. He is married to Vickie Furlong and has three children. Furlong's only known criminal history was a DWI on August 25, 1978.

Sol Joseph Carris is 55 years of age with a birth date of February 15, 1931. He is self-employed at Carris, Jakowitz Associates, 201 W. 79th St., New York, NY 10021, which is also his residence. His marital status is unknown. He has no known criminal history.

Robert E. Graham's age and date of birth are unknown. Graham is self-employed at CSI, Inc., 1208 E. Broadway, Tempe, AZ 85282. Graham's marital status is unknown. He has no known criminal history.

USE OF THE MAILS

The mails were used or caused to be used by each defendant and Texas Instruments, in that billings were mailed to TI in Dallas, TX, and payments were mailed from TI in Dallas to each firm. Also, numerous payments to Robert Y. Henslee were mailed to Henslee in Dallas, TX.

WITNESSES AND THEIR TESTIMONY

Attached hereto is an alphabetical list of government witnesses and a Resume of Testimony each can be expected to give.

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EXHIBITS

Attached hereto is a numerical list of exhibits.

In the event further investigation is desired, or should you wish to discuss any aspect of this matter, please contact me at (b)(6)

Sincerely,

(b)(7)(C)

Postal Inspector

Enclosures

RESUME OF TESTIMONY OF:

(b)(6),(b)(7)(C)

This witness can testify to:

1. The information contained herein was obtained during an official investigation by the U. S. Postal Inspection Service. She can also testify concerning how the investigation was conducted.

RESUME OF TESTIMONY OF:

(b)(6),(b)(7)(C)

This witness can testify that:

1. That MBank Lincoln Center complied with the subpoena on account No. 01-1304-2, in the name of RY and Company.
2. That the records provided were true bank records.

RESUME OF TESTIMONY OF:

(b)(6), (b)(7)(C)

This witness can testify that:

1. That Interfirst Bank Dallas complied with a subpoena on account (b)(6) in the name of R. Y. Henslee.
2. That the records provided were true bank records.

RESUME OF TESTIMONY OF:

(b)(6),(b)(7)(C)

This witness can testify that:

1. That Capitol Bank complied with a subpoena on account No. (b)(6) in the name of R. Y. Henslee.
2. That the records provided were true bank records.

EXHIBITS

- 1 Copy of the letter from (b)(7)(C) concerning her promotion to a principal within the firm.
- 2-5 Copy of letter, Amendment to Articles of Incorporation, and stock certificate concerning transfer of stock and name change of firm.
- 6 Copy of Assumed Name Certificate for R. Y. and Company.
- 7 Copy of check from Furlong-Contorinis, Inc., to R. Y. and Company.
- 8 Copy of check from Furlong-Contorinis, Inc., to Robert Y. Henslee.
- 9-12 Copies of 1099s for Calendar Years 1982, 1983, and 1984 for Robert Y. Henslee from International Recruiting Service and Furlong-Contorinis, Inc.
- 13-18 Copies of sworn statements from Furlong-Contorinis, Inc., employees concerning (b)(7)(C) actions.
- 19-23 Copies of minutes for board meetings of Furlong-Contorinis, Inc.
- 24-29 Copies of sworn statements concerning R. Y. Henslee's employment with Furlong-Contorinis, Inc.
- 30 Copy of handwritten note/bill from R. Y. Henslee to Furlong-Contorinis, Inc., for \$5,000.00, dated December 15, 1979.

FURLONG, CONTORINIS & DUEE, INC.

CONSULTANTS

2100 HAYVENHURST AVENUE
VAN NUYS, CALIFORNIA 91406

5/15/82

Dear

(b)(7)(C)

Just a note to tell you how please
I am that you have been made
principal in our firm.

Jim and I had discussed this matter and
we both agree that you are and will
continue to be an asset to our
organization.

With best wishes and warm congratulations!

Yours,

(b)(7)(C)

"We Solve Industry's problems through people."

MAILING ADDRESS, P.O. BOX 555, NORTHRIDGE, CALIFORNIA 91324

FYHIRT-1

MURRAY C. LERTZMAN

ATTORNEY AT LAW

SUITE 200
9001 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90210
278 4011

2 September 1982

Mr. James W. Furlong
Furlong, Contorinis & Duke, Inc.
7100 Hayvenhurst Avenue, #204
Van Nuys, California 91406Re: Corporate Name Change;
Transfer of Stock

Dear Jim:

Enclosed herewith are the following:

1. Original and copy of Certificate of Amendment of Articles of Incorporation which change the name of the corporation to Furlong, Contorinis & Gregory, Inc.;
2. Stock Certificate No. 4, in the name of James W. Furlong, representing 15 shares of the corporation, transferred from David Duke.

You will note that the stock certificate is not dated. When Vicki sent the David Duke certificate to me and requested that the stock be put back in your name, there was no date on her note. Please date the certificate for the appropriate date and advise me of that date for my files.

✓ Please sign the original Certificate of Amendment and return it to me to be filed with the Secretary of State. The copy is for your files.

✓ Regarding the transfer of stock of International Recruiting Service to Vicki, has she received consent for such transfer from the Bureau of Employment Agencies?

Very truly yours,


MURRAY C. LERTZMAN
MCL:k
Enclosures

EXHIBIT. 2

CERTIFICATE OF AMENDMENT
OF

ARTICLES OF INCORPORATION

JAMES W. FURLONG and VICKI V. FURLONG certify that:

1. They are the President and Secretary, respectively, of FURLONG, CONTORINIS & DUKE, INC., a California corporation.

2. Article FIRST of the Articles of Incorporation of this corporation is amended to read as follows:

"The name of this corporation is FURLONG,
CONTORINIS & GREGORY, INC."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the Corporations Code. The total number of outstanding shares of the corporation is 100. The number of shares voting in favor of the amendment equaled or exceed the vote required. The percentage vote required was more than fifty percent (50%).

JAMES W. FURLONG, President

VICKI V. FURLONG, Secretary

The undersigned declare under penalty of perjury
that the matters set forth in the foregoing Certificate are true
of their own knowledge. Executed at Los Angeles, California,
on September _____, 1982.

JAMES W. FURLONG

VICKI V. FURLONG

EXHIBIT-4

The undersigned declare under penalty of perjury
that the matters set forth in the foregoing Certificate are true
of their own knowledge. Executed at Los Angeles, California,
on September _____, 1982.

JAMES W. FURLONG

VICKI V. FURLONG

EXHIBIT-4

OFFICE OF EASY CELLOCK, COUNTY CLERK, DALLAS COUNTY, TEXAS
501 MAIN STREET, DALLAS, TEXAS 75202

ASSUMED NAME RECORDS
CERTIFICATE OF OWNERSHIP FOR UNINCORPORATED BUSINESS OR PROFESSION

NOTICE: "CERTIFICATES OF OWNERSHIP" ARE VALID ONLY FOR A PERIOD NOT TO EXCEED 10 YEARS FROM THE DATE FILED
IN THE COUNTY CLERK'S OFFICE, (Chapter 36, Sect. 1, Title 4 - Business and Commerce Code)

(This certificate properly executed is to be filed immediately with the County Clerk)

NAME IN WHICH BUSINESS IS OR WILL BE CONDUCTED

R.K.O. Co.

(print or type)

BUSINESS ADDRESS P.O. Box 30451

CITY: DALLAS

STATE TEXAS

ZIP CODE: 75230

PERIOD (not to exceed 10 years) DURING WHICH ASSUMED NAME WILL BE USED: 10 yrs

BUSINESS IS TO BE CONDUCTED AS (Check Which One): ☒ Proprietorship ☐ Sole Practitioner ☐ Joint Venture
☐ General Partnership ☐ Limited Partnership ☐ Real Estate Investment Trust
☐ Joint Stock Company ☐ Other (name type)

CERTIFICATE OF OWNERSHIP

I/We, the undersigned, are the owner/s of the above business and my/our name _____ and address _____ given
is/are true and correct, and there is/are no ownership(s) in said business other than those listed herein below.

-NAMES OF OWNERS-

NAME R. K. HENSLEE

(print or type)

SIGNATURE [Signature]

Address 13433 Montego Plaza (P.O. Box 30451) Dallas Zip Code 75230

Residence

NAME _____

(print or type)

SIGNATURE _____

Address _____

Residence

Zip Code _____

NAME _____

(print or type)

SIGNATURE _____

EXHIBIT - 6

R. Y. & CO.
P. O. BOX 30451
DALLAS, TEXAS 75230

FURLONG CONTORINIS, INC.
7100 Hayvenhurst, Ste. 205
Van Nuys, CA 91406

1/10/83

CONSULTANT FEE.

\$3166.00

[Signature]
R. Y. Henslee

FURLONG, CONTORINIS, INC.

7100 HAYVENHURST AVENUE, SUITE 205
VAN NUYS, CALIFORNIA 91406
PHONE: 909-700-2000

02921

3166 DOLS 0000

DATE 2-10-83 \$3166.00

SP

[Signature]

1002921 17220000131830074281

0000316600

EXHIBIT - 7

R. Y. HENSLEE
P. O. BOX 30451
DALLAS, TEXAS 75230

FURLONG, CONTORINIS & DUKE INC.
7100 Hayvenhurst, Ste. 205
Van Nuys, CA 91406

10/10/82

CONSULTANT FEES ----- \$2650.00

R. Y. Henslee
R. Y. Henslee

FURLONG, CONTORINIS & DUKE, INC.

2758

2650 DALS.00 CXC

R. Y. Henslee

DATE: Nov. 9, 1982 \$ 2650.00

R

Walter J. Duke

002758 220000431830074281

0000265000

95-2848655

INTERNATIONAL RECRUITING SYSTEMS, INC.

7100 HAYVENHURST AVENUE #204

VAN NUYS, CALIFORNIA 91406

Recipient's identifying number

Date

(b)(6)

Type or print RECIPIENT'S name, address, and ZIP code below.

MR. ROBERT Y. HENSLEE
P.O. BOX 30451
DALLAS, TEXAS 75230

Type or print
PAYER'S
name, address,
ZIP code, and
Federal
identifying
number.

Statement for
Recipients of

1982

Miscellaneous
IncomeCopy C
For Payer

2 Retention

3 Prices and awards

CONSULTING \$9,800.00

For Paperwork Reduction Act Notice see
Instructions for Form 1096.

Form 1099-MISC

95-7132662

APP. I.R.S.

Department of the Treasury—Internal Revenue Service

EXHIBIT - 9

95-3417816

FURLONG-CONTORINIS, INC.
7100 HAYVENHURST AVENUE #204
VAN NUYS, CALIFORNIA 91406

Type or print
PAYER'S
name, address,
ZIP code, and
Federal
identifying
number.

Statement for
Recipients of
1982
Miscellaneous
Income
Copy C
For Payer

Recipient's identifying number

3 Reals

(b)(6)

2 Royalties

3 Prizes and awards

Type or print RECIPIENT'S name, address, and ZIP code below.

MR. ROBERT Y. HENSLEE
P.O. BOX 30451
DALLAS, TEXAS 75230

CONSULTING \$23,916.00

For Paperwork Reduction Act Notice see
Instructions for Form 1096.

Form 1099-MISC

95-7430642

APP. I.R.S.

Department of the Treasury—Internal Revenue Service

CALIFORNIA
Form 596

ANNUAL SUMMARY AND TRANSMITTAL OF INFORMATION RETURNS

1982

Payer's Federal Employer Identifying Number	Enter number of documents	Place an "X" in the proper box to identify type of document being transmitted																	
		State Forms						Acceptable Federal Forms											
		599	599-1	599-2	1099 ASC	1099 BCD	1099 DIV	1099 E	1099 INT	1099 L	1099 MED	1099 MISC	1099 NEC	1099 OD	1099 PATR	1099 R			
3417816	10														X				

Number of documents		Number of documents	
Original	Corrected	With taxpayer identifying no.	Without taxpayer identifying no.
X		X	

Under penalties of perjury, I declare that I have examined the return, including accompanying documents and to the best of my knowledge and belief, it is true, correct, and complete, in the case of documents without recipients' identifying numbers I have complied with the requirements of the law by requesting such numbers from the recipients, but did not receive them.

Signature

Title

Date

Furlong-Contorinis, Inc. 7100 Hayvenhurst Ave. #200 Van Nuys, Ca. 91406 213-3417816		OMB No. 1545-0115 Type or Print PAYER'S name, address, ZIP code, and Federal identifying number	Statement for Recipients of 1983 Miscellaneous Income Copy C For Payer
Recipient's identifying number (b)(6)	1 Rents	2 Royalties	3 Prizes and awards
5 Unemployment proceeds	6 Medical and health care payments	7 Nonemployee compensation 64,364.00	4 Federal income tax withheld
8 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale		9	
Name of grant or contract (if name, address, and ZIP code apply) Co. Box 204 Van Nuys, Texas 75277		For Paperwork Reduction Act Notice and instructions for completing this form, see Instructions for Form 1096.	

Form 1099—MISC

16-0331690

Department of the Treasury—Internal Revenue Service

EXHIBIT - II

PAYER'S name, address, ZIP code, and Federal identifying number Furlong, Contorinis & Linton, Inc. 7100 Hayvenhurst Avenue #200 Van Nuys, California 91406 95-3417816	1 Rents	2 Royalties	OMB No. 1545-0015 1984 Statement for Recipients of Miscellaneous Income	
	3 Prizes and awards	4 Federal income tax withheld		For Paperwork Reduction Act Notice and instructions for completing this form see instructions for Form 1096
	5 Fishing boat proceeds	6 Medical and health care payments		
RECIPIENT'S name, address, and ZIP code R.Y. Company P.O. Box 30451 Dallas, Texas 75230	(b)(6)	7 Nonemployee compensation 35,000.00	Copy C For Payer	
	8 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale. <input type="checkbox"/>			

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

EXHIBIT - 12

AREA CODE: (818)
989-5080

EXECUTIVE SEARCH

FURLONG, CONTORINIS & LINTON, INC.,
CONSULTANTS

ESTABLISHED
1970

7100 HAYVENHURST AVENUE
VAN NUYS, CALIFORNIA 91406

To Whom It May Concern:

During the month of October, 1982, Mr. R.Y. Henslee of Texas Instruments, Inc., requested a dinner meeting with Mr. James W. Furlong and (b)(7)(C) of Furlong, Contorinis & Gregory, Inc., for the purpose of reviewing the status of an executive search assignment to which (b)(7)(C) was assigned.

The following day, Mr. Furlong related to me that (b)(7)(C) behavior at the dinner meeting was irrational and that after dinner, while he was driving her to her residence, she opened her purse, removed an object containing a substance which she began to inhale. When he asked what it was, she informed him that it was cocaine. He said, that he instructed her to immediately stop this action. Later that evening, Mr. Henslee phoned him at home, requesting the removal of (b)(7)(C) from the Texas Instruments assignment.

I was surprised of the evenings events and reminded Mr. Furlong that his duty as President of our firm was to immediately terminate her employment. He advised me that he had scheduled a meeting with her that afternoon, and since I concurred with him as to the action needed to be taken, he was going to terminate her.

Later that day, I was attending a meeting outside of our offices and when I phoned Mr. Furlong to learn of the outcome, he informed me that he had terminated her, however, she cried and begged him to reconsider. He felt sorry for her and reinstated her.

On November 4, 1982, I found an envelope on my desk, with my name on it, containing a copy of (b)(7)(C) letter of resignation, demands and instructions, together with a personal note. Soon thereafter I and other members of our firm discovered that files were taken from our offices many of which related to work in-progress on a number of client assignments.

A list of missing items was compiled to the best of our ability. Our firm retained an Attorney at Law, Mr. Donald W. Bachmann to handle the (b)(7)(C) matter and the retrieval of all the missing files and any other items that may have been removed which we could not readily identify.

EXHIBIT - 13

"We solve industry's problems through people."

Mr. Bachmann arranged a meeting with (b)(7)(C) Attorney, James E. Blatt, for the purpose of identifying and retrieving all items removed from our offices by (b)(7)(C). The meeting was held at Mr. Blatt's office and attended by me, Mr. Bachmann and (b)(7)(C) our then Director of Research. Mr. Blatt advised us that (b)(7)(C) had not provided him with our files at that time. He also informed us that (b)(7)(C) had in her possession copies of cancelled checks issued to Mr. R.V. Henslee by our firm, and that it was their contention that these payments, were kickbacks and that the checks were negotiating vehicles by (b)(7)(C) in attaining her financial demands. Mr. Bachmann stated to Mr. Blatt that such a position on (b)(7)(C) (b)(7)(C) part was pure and simple extortion. I advised Mr. Blatt that Mr. Henslee was a retained consultant to our firm and was paid for his services.

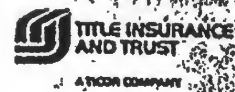
At this point of our discussion, I requested that Mrs. Shelley and myself be excused from the meeting, since the purpose of our presence was to retrieve our files which were urgently needed for our work. Mr. Bachmann and Mr. Blatt continued discussing the (b)(7)(C) matter.

Very truly yours,


Byron G. Contorinis

TO 1944 GA (8-74)

(Individual)



STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

SS.

On FEBRUARY 15, 1985

State, personally appeared BYRON G. CONTOLINIS

STAPLE HERE

known to me
to be the person whose name IS subscribed
to the within instrument and acknowledged that HE
executed the same.

WITNESS my hand and official seal.

Signature

(b)(7)(C)



OFFICIAL SEAL
JENNIFER L. PRISAŽNIK
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUL 16, 1985

(This area for official notarial seal)

TO 1844 CA (8-74)
(Individual)

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES } SS.

On FEBRUARY 15, 1985

State, personally appeared (b)(7)(C)

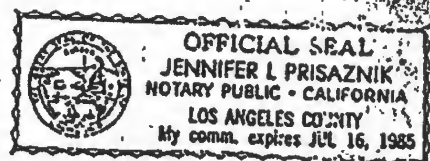
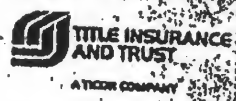
, the undersigned, a Notary Public in and for said

STAPLE HERE

to be the person whose name IS known to me
to the within instrument and acknowledged that SHE
executed the same.

WITNESS my hand and official seal.

Signature Jennifer L. Prisaznik



(This area for official notarial seal)

MINUTES
SPECIAL MEETING OF BOARD OF DIRECTORS
FURLONG-CONTORINIS, INC.

The Board of Directors of Furlong-Contorinis, Inc., a California corporation, held a Special Meeting at 7100 Hayvenhurst Ave., Van Nuys, California, on the 4th day of November, 1983, at the hour of 10:00 a.m.

There were present at said meeting:

James W. Furlong

(b)(7)(C)

constituting the entire Board of Directors.

The Chairman announced that the meeting was held pursuant to written notice thereof which had been personally served on the Directors on November 1, 1983. On motion duly made, seconded and unanimously carried, a copy of said Notice was made a part of the records of the meeting and now precede the minutes of this meeting in the Book of Minutes of the Corporation.

The Chairman stated that due to the fact that (b)(7)(C) was making numerous telephone calls to current employees, former employees and clients, making libelous statements concerning Mr. Furlong and the conduct of our business, it was decided to file a personal suit for libel, separate from the suit filed by the Corporation. Mr. Furlong has requested that the Corporation bear the cost and be reimbursed from monies recovered if any from the suit. On a motion duly made, seconded and unanimously carried it was resolved:

RESOLVED: That the Corporation would bear the cost for the suit of libel against (b)(7)(C) for Mr. Furlong, with monies to be repaid from suit.

The Chairman requested that Leonard M. Linton be made a Vice President, as he had been with us for two years and had demonstrated capability, good judgement, team playing and integrity. On a motion duly made, seconded and unanimously carried it was resolved:

RESOLVED: That Mr. Leonard M. Linton be made a Vice President.

MINUTES
SPECIAL MEETING OF BOARD OF DIRECTORS
FURLONG-CONTORINIS, INC.

The Board of Directors of Furlong-Contorinis, Inc., a California corporation, held a Special Meeting at 7100 Hayvenhurst Ave., Van Nuys, California, on the 9th day of September, 1983, at the hour of 10:00 a.m.

There were present at said meeting:

James W. Furlong
Vicki V. Furlong

(b)(7)(C)

constituting the entire Board of Directors.

The Chairman announced that the meeting was held pursuant to written notice thereof which had been personally served on the Directors on September 6, 1983. On motion duly made, seconded and unanimously carried, a copy of said Notice was made a part of the records of the meeting and now preceded the minutes of this meeting in the Book of Minutes of the Corporation.

The Chairman announced that (b)(7)(C) had filed a suit against Furlong-Contorinis, Inc., James W. Furlong, International Recruiting Systems, Inc., and (b)(7)(C). Both companies decided at this time to file a cross complaint against (b)(7)(C) for all of the damage that was created by her theft and libelous statements over the last 10 months. (b)(7)(C) who is our corporate attorney, will be handling all the legalities. On a motion duly made, seconded and unanimously carried it was resolved:

RESOLVED: That a cross complaint would be filed by Furlong-Contorinis, Inc., James W. Furlong and (b)(7)(C) and that (b)(7)(C) would be handling it for us.

The Chairman suggested at this time that it would be a good idea for us to start looking for a corporate airplane. With all of the traveling around the State it would benefit us to purchase one. After a thorough investigation and using the consulting service of (b)(7)(C) it was determined that an older Cessna 310 would fit all our needs. The price being between \$30-40K. Mr. Furlong said there was a possibility that he would buy it and lease it back to the corporation. We have already found space for the tie down. On a motion duly made, seconded and unanimously carried it was resolved that:

EXHIBIT - 20

MINUTES
SPECIAL MEETING OF BOARD OF DIRECTORS
FURLONG, CONTORINIS & GREGORY, INC.

The Board of Directors of Furlong, Contorinis & Gregory, Inc. a California corporation, held a Special Meeting at 7100 Hayvenhurst Ave., Van Nuys, California, on the 18th day of October, 1982, at the hour of 10:00 a.m.

There were present at said meeting:

James W. Furlong

(b)(7)(C)

constituting the entire Board of Directors.

The Chairman announced that the meeting was held pursuant to written notice thereof which had been personally served on the Directors on October 15, 1982. On motion duly made, seconded and unanimously carried, a copy of said Notice was made a part of the records of the meeting and now preceded the minutes of this meeting in the Book of Minutes of the Corporation.

The Chairman informed the Board that he had had a meeting with (b)(7)(C). In that meeting he told her that because of her non performance, absenteeism and cocaine usage that we were unable to continue her employment. She became very emotional, started to cry and told Mr. Furlong that her cocaine usage was really minimal and that it was not interfering with her work. That she was just tired and had some personal problems at home and that was the reason she had had difficulty this entire year. (b)(7)(C) asked specifically if she could be allowed to remain in our employment. Mr. Furlong told (b)(7)(C) that she had been effective in the past and that if she wanted to stay, we would let her, but it would be on a trial basis. The Chairman asked the Board if they agreed with this discussion and the Board on a motion duly made seconded and carried unanimously resolved:

RESOLVED: That (b)(7)(C) could stay in our employment on a trial basis if she began to function as a responsible employee.

There being no further business, on a motion duly made, seconded and carried unanimously the meeting was adjourned.

James W. Furlong
James W. Furlong, President & Chairman

Vicki V. Furlong
Vicki V. Furlong, Secretary

EXHIBIT - 21

MINUTES
SPECIAL MEETING OF BOARD OF DIRECTORS

FURLONG, CONTORINIS & GREGORY, INC.

The Board of Directors of Furlong, Contorinis & Gregory, Inc. a California corporation, held a Special Meeting at 7100 Hayvenhurst Ave., Van Nuys, California, on the 13th day of October, 1982. at the hour of 10:00 a.m.

There were present at said meeting:

James W. Furlong

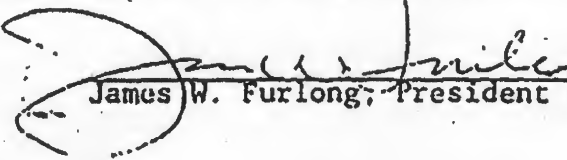
(b)(7)(C)

constituting the entire Board of Directors.

The Chairman announced that the meeting was held pursuant to written notice thereof which had been personally served on the Directors on October 11, 1982. On motion duly made, seconded and unanimously carried, a copy of said Notice was made a part of the records of the meeting and now precede the minutes of this meeting in the Book of Minutes of the Corporation.

The President said he called the meeting to discuss a problem that had come up with (b)(7)(C). He told the Board that on Monday, October 4, 1982, he had taken (b)(7)(C) to a dinner meeting with Texas Instruments. Following the meeting, (b)(7)(C) was unable to drive home due to too much to drink, so Mr. Furlong drove her. On the way to her home, while in the car, she took a vile from her purse and sniffed a substance into her nose. Mr. Furlong asked her what she was doing, and she told him she was using Coke, but it was not something she did all the time. This displeased Mr. Furlong immensely. The cocaine situation, after further investigation into (b)(7)(C) activities, is the reason for her strange behavior during this year. It was agreed by (b)(7)(C) and Mr. Furlong that (b)(7)(C) should be terminated, as we could not continue her employment under these circumstances. Mr. Furlong said he would take care of the matter and we would meet again as soon as he had his meeting with (b)(7)(C).

There being no further business, on a motion duly made, seconded and carried unanimously, the meeting was adjourned.


James W. Furlong, President & Chairman


Vicki V. Furlong, Secretary

EXHIBIT - 22

The Chairman wanted to discuss Robert Y. Henslee, who has been a consultant for Furlong & Company since his employment at Electronic Arrays. The Chairman said that due to the long association with Robert Henslee, who has in excess of two decades of experience in the electronics industry, that we continue to use him at Furlong, Contorinis & Duke, Inc. as a consultant on a regular basis to give us such things as market direction, technology direction, direction towards possible business and general consulting to insure the growth of our business. Mr. Henslee has agreed to this as long as there is no conflict of interest between Texas Instruments (where he is presently employed) and Furlong, Contorinis & Duke, Inc. On a motion duly made, seconded and carried unanimously it was resolved to retain Mr. Henslee in the same capacity as Furlong & Company.

There being no further business to come before the meeting, upon motion duly made, seconded and carried unanimously the meeting adjourned.


James W. Furlong, President & Chairman


Vicki V. Furlong, Secretary

AREA CODE: (818)
989-5080

EXECUTIVE SEARCH

FURLONG, CONTORINIS & LINTON, INC.
CONSULTANTS

ESTABLISHED
1970

7100 HAYVENHURST AVENUE
VAN NUYS, CALIFORNIA 91406

To Whom It May Concern:

I have been associated with Mr. R. Y. Henslee since April, 1974, which was the time that I had joined James W. Furlong for entering the Executive Search business. Since both of us had limited experience in this field, we needed the expertise of a qualified person, who understood the innerworking of corporate management and their association with executive search firms, servicing the electronics industry. In 1976, we approached Mr. Henslee, an expert in this field, who had then resigned his position with Texas Instruments, to be our Consultant. He worked with us a short time.

Since 1979, Mr. Henslee has guided us and advised us in such areas as the establishment of a research function within our firm, the creation of a reference library and the type of directories, periodicals, trade papers appropriate to the markets which we are addressing.

Long hours were spent in the organization of our now elaborate file system and in the development of procedures to be followed in order to maximize its use.

We have been instructed as to how to present our credentials and expertise to prospective clients in order to obtain assignments and establish our markets.

We have been taught the methodology and disciplines needed to successfully complete search assignments, the documentation, preparation and presentation of work in-progress during review sessions with our clients.

Robert Henslee has been instrumental in the recruitment, selection and training of newer members of our firm. I have received instruction in executive recruitment and interview techniques, interview report preparation, resume preparation and verification of candidate credentials, work history verification, reference checking and reference report preparation.

Very truly yours,

Byron G. Contorinis
Byron G. Contorinis

EXHIBIT -24

"We Solve Industry's Problems Through People."

TO 1944 CA (8-74)

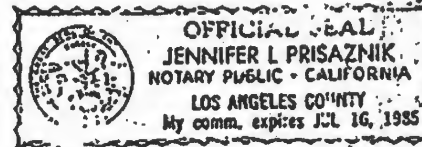
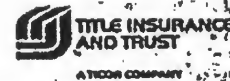
(Individual)

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES } SS.On FEBRUARY 15, 1985 before me, the undersigned, a Notary Public in and for said
State, personally appeared BYRON G. CONTREINIS_____, known to me
to be the person whose name IS subscribed
to the within instrument and acknowledged that HE
executed the same.

WITNESS my hand and official seal.

Signature

Jennifer L. Prisažnik

(This area for official notarial seal)

EXHIBIT - 25

AREA CODE (010)
989-5080

FURLONG, CONTORINIS & LINTON, INC.
CONSULTANTS

7100 HAYVENHURST AVENUE
VAN NUYS, CALIFORNIA 91406

EXECUTIVE SEARCH

ESTABLISHED
1970

To Whom It May Concern:

I joined this firm in December, 1981 after working for a year as a Recruiter with a successful, specialized, retainer-based Executive Search Firm in metropolitan Los Angeles.

I first met Bob Henslee in June of 1982. I had been assigned to work on a search involving MOS Memory Products Engineering. Mr. Henslee provided direction and guidance on issues, candidate evaluation, methods for presenting candidates and personal style. That meeting took place in our offices and provided more insight into the process than I had been exposed to in the prior year. He explored the process by which engineering managers would review our progress, would question me about candidates and defined the elements I had to address to be successful in the search.

From that first meeting until today, Bob has continued to be a valuable instructor and professional advisor. He has worked weekends and evenings conducting tutorial sessions and individualized training on each aspect of the executive search business. Specific contributions I can discuss with authority include development of concepts and working those through to detailed implementation for operations including: approach to candidates, presentation techniques (on a variety of recurring subjects) to clients, research methodology, client reporting and status techniques, etc. Bob has an exceedingly detailed approach to the search process and has been the single most influential factor in the success of Furlong, Contorinis & Linton, Inc., other than the talent of our people themselves. Jim Furlong has very wisely professionalized our organization by involving Bob as our "business development" advisor.

Bob as an advisor has counselled each of us individually and as a group on our interviewing and report preparation skills.

He has helped devise the system by which we deal with the search life cycle. This system involves nine unique stages and each has specific elements that we address.

Bob has helped us develop the system by which we determine the business problem prompting the need for a search. This involves structured questioning of client management in a very delicate manner, to determine not only what the successful candidate is expected to do, but also to quantify the personal motivations, skills and attitudes that a person must possess (or not possess) to be successful.

EXHIBIT - 26

"We Solve Industry's Problems Through People."

Applegate, Harbert, Amodeo, Flanagan, & Associates

TO 1944 CA (6-74)

(Individual)

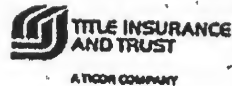
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

SS.

On FEBRUARY 15, 1985

State, personally appeared LEONALDO M. LINTON before me, the undersigned, a Notary Public in and for said



STUCK HERE

to be the person whose name IS known to me
to the within instrument and acknowledged that HE
executed the same.

WITNESS my hand and official seal.

Signature

Jennifer L. Prisaznik



(This area for official notarial seal)

EXHIBIT - 27

12/15/79

Harley Associates

not professional

management consultant
services - \$5,000.00

R. J. Fowler

RECEIVED DEC 24 1979

POST OFFICE BOX 10451
DALLAS, TEXAS 75220

PAID DEC 27 1979

EXHIBIT - 30

Document Name:
JRB/USA/5990441584F2/11-04-86

Requestor's ID:
FTN0PR2

Author's Name:

(b)(7)(C)

Document Comments: